weekly economic review

August 9, 2013

Labour Market

Job creation picks up, unemployment rate drops

Alberta's labour market rebounded sharply in July, adding 16,600 jobs after no change in June. This is the third time in the last four months that Alberta has recorded large monthly job gains in excess of 14,000. All of the new positions were in the private sector, with the majority being part-time service sector jobs. Year-over-year employment growth rose to 3.0%, the highest rate since May 2012.

The surge in jobs lowered the unemployment rate down to 4.5%. Up until July, the unemployment rate had been creeping higher (reaching 5.0% in June) due to Alberta's soaring net migration and the related increase in the labour force.

Canadian employment dropped by 39,400 jobs in July, pushing the unemployment rate up slightly to 7.2%. The job losses were concentrated in youth employment and public sector positions.

Building Permits

Permits well above last year's level

In June, the total value of building permits in Alberta dipped slightly from May's levels, but was up a sharp 24.3% over the same month last year. Strong year-over-year growth was observed across all sectors, with residential permits up 15.8% and non-residential permits increasing 36.1%. Non-residential growth was strong across the board with industrial (14.1%), commercial (21.8%) and institutional (145.2%) all posting solid growth.

Nationally, the value of permits was down 4.8% year-over-year in June, due to declines in residential permits.

International Merchandise Exports

Exports hold steady

Alberta exports came in at $7.7 billion in June, a modest 0.5% decrease from the same month last year. Continued strength in basic & industrial chemical, plastics & rubber products, which jumped 28.8% year-over-year, failed to offset soft energy exports (+0.4%) and negative growth across a broad section of other sectors.

At the national level, exports fell 0.8%, led by a 3.9% dip in energy products and a 6.5% decline in motor vehicles & parts.

New Housing Price Index (NHPI)

Alberta prices gain strength

Alberta's NHPI accelerated for the third straight month, rising 2.9% over the same month last year. This is the largest gain since April 2008. The increase was largely due to the housing component (3.5%), while land prices posted a more modest gain (1.4%). Year-over-year, prices in Calgary jumped 5.3% while Edmonton advanced 0.6%.

At the national level new home prices were up 1.8% over the same period.

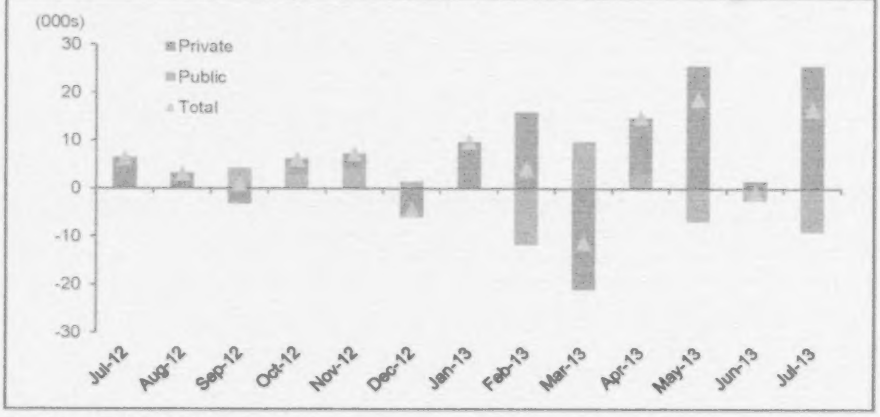
Housing Starts

Alberta new home construction moderates

Alberta housing starts moderated for the third straight month, falling to 33,608 (seasonally adjusted at an annual rate) in July. This was slightly (+1.2%) above the same month last year. Year-to-date housing starts remain strong at 36,500, 9.2% above the same period last year.

Canadian housing starts were down in July, falling 9.5% from the same month last year.

Alberta Employment (monthly change)



Source: Statistics Canada

Closing Price	August 1, 2013	August 8, 2013	2013-14 Fiscal YTD
Canadian Dollar (US¢/$CAN)	96.73	96.64	97.25
WTI Oil ($US/bbl)	107.89	103.40	97.44
NYMEX Natural Gas($US/MMBtu)	3.39	3.30	3.64

Alberta Economic Indicators

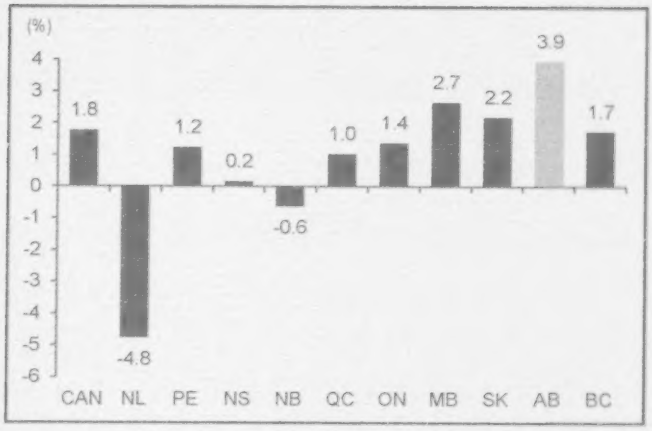
Population	2011	2012	2013YTD	Feb	Mar	Apr	May	June	July
Population (000's)	3,778	3,874	3,965	..	..	3,965	..	..	..
y/y % change	1.5	2.5	3.0	..	..	3.2	..	..	..
Net Interprovincial Migration[1]	8,443	28,170	38,686	..	..	13,438	..	..	..
Net International Migration[1]	16,793	37,990	30,779	..	..	13,674	..	..	..
Net Non-permanent Residents[1]	-7,604	9,721	9,762	..	..	6,949	..	..	..
Labour Market									
NEW: Employment (000's), SA	2,094	2,150	2,189	2,179	2,168	2,183	2,201	2,201	2,217
y/y % change	3.8	2.7	2.3	2.5	1.7	1.9	2.3	2.6	3.0
NEW: Unemployment Rate (%), SA	5.5	4.6	4.6	4.5	4.8	4.4	4.8	5.0	4.5
NEW: Participation Rate (%), SA	73.7	73.4	72.9	72.9	72.6	72.5	73.3	73.1	73.0
Average Weekly Earnings ($), SA	1,035.75	1,072.96	1,099.04	1,099.51	1,098.08	1,099.83	1,113.94	..	..
y/y % change	4.4	3.6	3.9	4.5	3.4	3.5	4.9	..	..
Price Indices									
Consumer Price Index (y/y % change)	2.4	1.1	1.2	0.9	1.2	1.3	2.3	2.3	..
Excluding food and energy	0.8	1.3	1.2	1.4	1.2	0.9	1.1	1.6	..
Non-Res. Building Cons. Price Index[2] (y/y % change)	3.4	3.8	1.4	..	1.4	..	..	..	..
Farm Product Price Index (y/y % change)	17.7	6.4	4.6	5.2	4.4	..	..	..	..
Crops	18.7	6.5	9.3	9.8	9.3	..	..	..	..
Livestock	16.9	6.2	0.2	1.1	0.1	..	..	..	..
Household Sector									
NEW: Housing Starts (SAAR, 000's)	25.7	33.4	36.5	35.4	35.1	39.8	42.4	37.9	33.6
y/y % change	5.1	29.9	9.2	10.9	1.0	0.3	26.4	12.3	1.2
NEW: New Housing Price Index[2] (y/y % change)	0.4	1.3	2.5	2.6	2.4	2.5	2.7	2.9	..
Edmonton	0.9	0.9	0.6	1.0	0.6	0.4	0.2	0.6	..
Calgary	0.1	1.7	4.5	4.3	4.3	4.7	5.3	5.3	..
MLS Average Resale Prices ($ 000's)	352.7	362.0	375.8	380.1	380.4	374.6	376.2	376.0	..
y/y % change	0.5	2.6	4.6	4.5	5.9	3.5	3.0	4.0	..
Edmonton ($ 000's)	324.2	332.7	343.5	344.0	348.9	345.5	340.2	344.7	..
y/y % change	0.7	2.6	3.2	2.8	5.4	2.8	2.5	3.8	..
Calgary ($ 000's)	401.9	410.8	429.2	436.7	433.9	420.4	427.2	434.3	..
y/y % change	1.1	2.2	6.1	5.7	6.3	3.8	3.6	5.2	..
Retail Sales, SA (y/y % change)	6.8	6.9	6.6	7.7	5.4	7.3	7.9	..	..
New Motor Vehicle Sales (y/y % change)	9.6	10.5	7.4	6.5	0.1	19.7	7.0	..	..
Consumer Bankruptcies	7029	5759	1751	412	429	464	..	..	..
y/y % change	-13.8	-18.1	-18.2	-22.7	-24.5	-11.3	..	..	..
Business Sector									
Rigs Drilling	286	250	229	422	306	115	88	115	187
y/y % change	30.4	-12.6	-9.5	8.1	-9.4	-18.2	0.0	-17.3	-5.7
NEW: Goods Exports, customs based (y/y % change)	16.4	1.8	2.1	2.0	0.0	-1.0	11.6	-0.5	..
Energy	19.2	2.1	2.1	3.9	1.4	-2.4	12.3	0.4	..
Farm, Fishing and Intermediate Food	27.2	20.6	0.7	6.7	5.4	-6.4	7.1	-16.0	..
Farm Cash Receipts (quarterly, y/y % change)	16.7	14.1	9.3	..	9.3	..	..	..	..
Manufacturing Shipments, SA (y/y % change)	17.3	3.4	2.0	-1.1	3.3	3.4	1.5	..	..
Wholesale Trade, SA (y/y % change)	14.7	10.9	2.3	6.4	2.7	-0.3	0.0	..	..
NEW: Building Permits, SA (y/y % change)	11.8	14.7	19.2	19.9	38.6	11.4	1.2	24.3	..
Residential	5.2	17.7	14.8	7.8	14.6	18.4	12.3	15.8	..
Non-residential	20.9	11.0	24.7	36.1	72.1	5.1	-12.0	36.1	..
Business Bankruptcies	264	230	51	14	12	15	..	..	..
y/y % change	-30.2	-12.9	-39.3	-44.0	-36.8	25.0	..	..	..

1 Quarterly; annual numbers are presented on a census year basis (July 1– June 30)
2 Quarterly, average of Calgary and Edmonton
3 Average of Calgary and Edmonton
YTD (year-to-date) represents the change since the beginning of the year compared to the same period in the previous year. "SA" denotes seasonally adjusted. "SAAR" denotes seasonally adjusted at annual rate

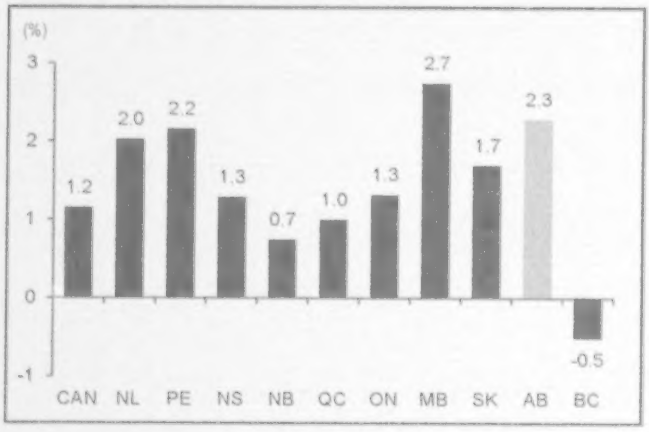
Sources: All data is from Statistics Canada except Housing Starts (Canada Mortgage and Housing Corporation), MLS Average Resale Prices (Canada Real Estate Association), Rigs Drilling (Canadian Association of Oilwell Drilling Contractors) and Bankruptcies (office of the superintendent of Bankruptcy Canada).

Economic Indicators by Province

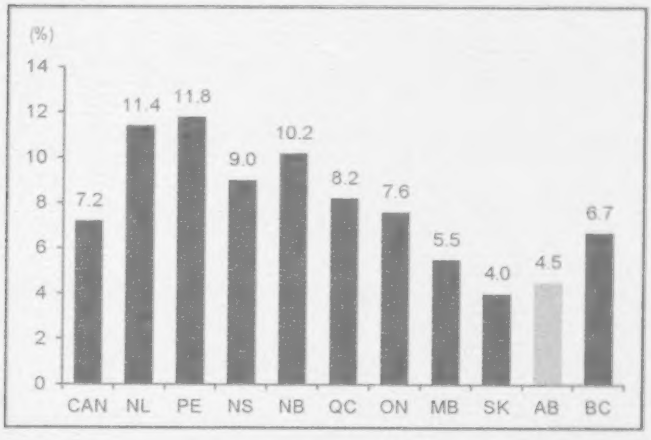
Real GDP by Industry
(2012, year-over-year growth)



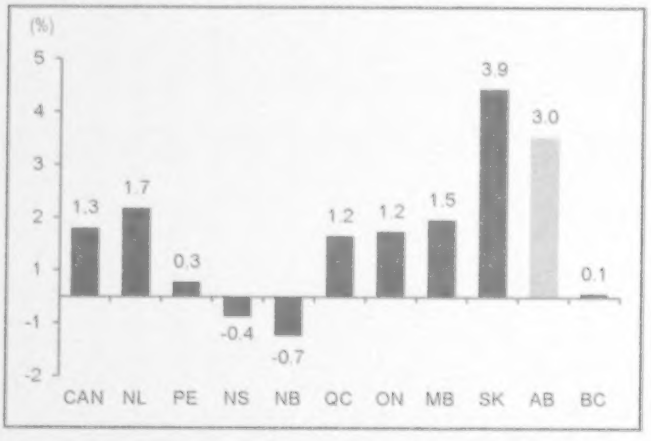
CPI Inflation
(June 2013, year-over-year growth)



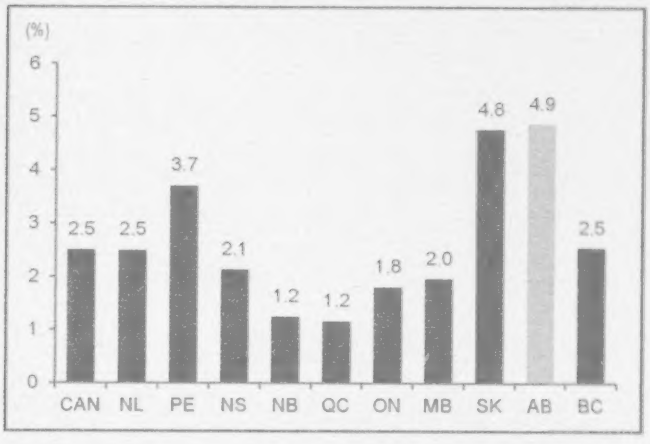
Unemployment Rate
(July 2013)



Employment
(July 2013, year-over-year growth)



Average Weekly Earnings
(May 2013, year-over-year growth)



Housing Starts
(July 2013, SAAR, year-over-year growth)